



Q1 2026 was a quarter defined by three primary forces arriving at once: a geopolitical shock in the Middle East, continued momentum in corporate earnings, and a market wrestling with what all of it means for the path ahead. The result was meaningful volatility across nearly every asset class and, for patient and disciplined investors, the emergence of genuine opportunity in areas of the market that had not offered attractive entry points in several years.

MARKET PERFORMANCE

Index	Q1 2026	YTD	1-Year	3-Year	5-Year
S&P 500 (SPY)	-4.37%	-4.37%	+17.59%	+65.08%	+75.69%
S&P 500 Equal Weight (RSP)	0.62%	0.62%	+12.65%	+38.96%	+46.57%
All Country World (ACWI)	-2.21%	-2.21%	+20.86%	+60.08%	+58.75%
Aggregate Bond Index (AGG)	+0.02%	+0.02%	+4.36%	+11.17%	+1.48%

Data provided by Y-Charts and Goldman Sachs Custody Solutions. All returns are total return including dividends.

MARKET SNAPSHOT – WHERE THINGS STAND (3/31/2026)

FORWARD P/E ~21–22× <i>Priced for growth, not a bargain</i>	FWD EARNINGS YIELD ~4.8% <i>Thin but positive vs. 4.25% Treasury</i>	2026 FACT SET CONSENSUS EPS GROWTH EST. ~18–19% <i>6th consecutive double-digit quarter</i>
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5 THINGS TO KNOW THIS QUARTER

- Iran drove energy prices sharply higher — but the true supply gap is smaller than headlines imply. High prices contain the seeds of their own reversal.
- Earnings remain strong: Q1 marks the 6th consecutive quarter of double-digit S&P 500 EPS growth. 2026 full-year estimates: ~18–19%.
- Valuations are not cheap. The equity risk premium vs. Treasuries is thin but positive — earnings growth must continue to deliver.
- Q1 volatility created buying opportunities absent in 2025. We deployed patiently into quality businesses at prices we consider attractive.
- We trimmed winners, and rotated capital to improve long-term portfolio quality and diversification.

WHAT WE DID THIS QUARTER

*For Direct Equity Strategies / Varies by accounts

NEW POSITIONS

- > Technology services & consulting
- > Specialty retail / home renovation
- > Consumer subscription streaming
- > K–12 alternative education
- > Vertical market software / capital allocator

GENERAL TRIMS & EXITS

- > mega-cap technology (strong multi-year run)
- > some financial technology (upgraded to higher quality)
- > **some** healthcare (when exceeded price target)
- > specialty retail (exceeded price target)
- > some cash reduction

"Widespread fear is your friend as an investor — it serves up bargain purchases. Personal fear is your enemy." — Warren Buffett

Questions? Contact your Evergreen advisor or visit us at evergreenwealthmgmt.com